[English]

Profit/Loss of Nationalised Banks

546. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state:

(a) the profit and loss of each nationalised bank functioning in the country during 1996–97; and

(b) the steps being taken by the Government to make the banks more effective and renumerative?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) As reported by the Reserve Bank of India Balance Sheet the net profit and loss of nationalised banks for the 1996–97 functioning in the country are given below:

Name of the Bank	Net Profit/Loss (Amount in Rs. Crores)
Allahabad Bank	64.3
Andhra Bank	35.7
Bank of Baroda	276.53
Bank of India	360.02
Bank of Maharashtra	47.26
Canara Bank	147.4
Central Bank of India	150.83
Corporation Bank	125.13
Dena Bank	72.91
Indian Bank	– 389.09
Indian Overseas Bank	104.51
Oriental Bank of Commerce	180.25
Punjab & Sind Bank	20.00
Punjab National Bank	237.71
Syndicate Bank	66.96
UCO Bank	–176.23
Union Bank of India	215.68
United Bank of India	–113.64
Vijay Bank	18.96

(b) Government and Reserve Bank of India (RBI) have been impressing upon the banks the need to strengthen their credit appraisal machinery and exercise close supervision and control over advances, take effective steps for improving recovery of non-performing assets as also reducing their overhead expenses. RBI/Government are monitoring the performance of the Nationalised banks periodically.

Over-Charges by Banks

547. SHRI RAJIV PRATAP RUDY : Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "50 banks under probe for over charging customers" appearing in the Indian Express, New Delhi dated October 11, 1997;

(b) whether the customers have been over-charged to the tune of hundreds of crores since 1991, taking advantage of the RBI circular issued in the year 1991;

(c) if so, the reasons therefor; and

(d) the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Yes, Sir.

(b) and (c) Reserve Bank of India (RBI) have reported that they had advised all banks on 2nd September, 1991 that they should pass on the incidence of the interest tax, 'pro rata' to their borrowers. The banks were also advised by the RBI to follow a uniform practice in this regard in consultation with the Indian Banks' Association (IBA). The IBA by a circular dated 9th October, 1991 advised their member banks that the rates of interest might be loaded with the interest tax of 3% and rounded off to the next higher 0.25%.

(d) RBI have reported that a number of complaints were received stating that rounding off the tax on interest rates to the next higher 0.25% was not justified since the incidence of interest goes up to much higher levels than warranted by the levy of 3%. Considering the difficulties faced by the customers and organisations and the fact that the banks are free to determine their own Prime Lending Rate on advances above Rs. 2.00 lakhs, RBI is of the view that there is no need to follow uniform practice of rounding off interest tax thereon. Accordingly, RBI have issued instructions to scheduled commercial banks (excluding Regional Rural Banks) that the rate of interest with interest tax levied at 2% (since lowered from 3%) should not be rounded off.

Investment in Coal Sector

548. SHRI ANNASAHIB M.K. PATIL : Will the Minister of COAL be pleased to state:

(a) whether coal sector has remained starved of required level of investment due to restrictive provisions of Coal Mines Acts and Rules preventing private investment; and

(b) if so, the initiatives taken so far or proposed to be taken in the near future to encourage and facilitate massive investments needed in the coal sector and infrastructure

through appropriate changes in Coal Mines Act and Rules and grant Maharatna Status to Public Sector Enterprises to operate on commercial lines by removing the constraints?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) After the nationalisation of the coal industry upto 1993 only Government companies could invest in coal mining. However, exercises undertaken by the Planning Commission indicate that the gap between demand and supply would increase by the end of the Ninth Plan and during the Tenth Plan periods even though investments by the Government companies have increased substantially.

(b) In order to enable greater investments in the coal sector, the Government are considering appropriate amendments in the Coal Mines (Nationalisation) Act in order to enable private investments. Discussions with the Unions have been initiated in order to address their concerns before a Bill is introduced.

Investment by UTI in Private Company

549. SHRI JAGATVIR SINGH DRONA : Will the Minister of FINANCE be pleased to state:

(a) the aggregate cost of Unlisted Equity shares of private companies purchased by Unit Trust of India during 1.4.92 to 31.3.96;

(b) the aggregate cost of Listed Equity shares of private companies purchased through private placement or brought-out deals by Unit Trust of India during 1.4.92 to 31.3.96;

(c) the aggregate cost of Unlisted Convertible debentures of private companies purchased by Unit Trust of India during 1.4.92 to 31.3.96;

(d) the aggregate cost of Listed Convertible debentures of private companies purchased through private placement or broughtout deals by Unit Trust of india during 1.4.92 to 31.3.96; and

(e) the aggregate Dividend received from the companies given in (a) and (b), separately, during 1.4.95 to 30.6.96?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) UTI has informed that aggregate cost of unlisted equity shares purchased during the period from 1.7.92 to 30.6.96 was Rs. 75.23 crores.

(b) The aggregate cost of listed equity shares purchased through private placement brought-out deals during the period from 1.7.92 to 30.6.96 was Rs. 1258.60 crores.

(c) UTI has informed that it did not make any investments in unlisted convertible debentures of private limited companies.

(d) The aggregate cost of convertible debentures of private sector companies subscribed to by UTI through private placement brought-out deals during 1.7.92 to 31.3.96 was Rs. 462.27 crores.

(e) The aggregate amount of dividend received by UTI in respect of unlisted equity shares (referred to at (a)) was Rs. 0.10 crores and in respect of listed equity shares (referred to at (b)) was Rs. 58.99 crores.

Nucleus Industrial Complex at Goindwal

550.SHRI MAJOR SINGH UBOKE : Will the Minister of INDUSTRY be pleased to state:

(a) whether Goindwal in Amritsar District of Punjab is India's first nucleus Industrial Complex:

(b) if so, the details thereof;

(c) the area of land acquired for the above complex; and

(d) the names and number of Public Sector Undertakings and multinational companies set up there?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) Yes, Sir.

(b) The Government of India according to its Industrial Policy Statement of July, 1980, was to set up nucleus industrial complexes in the country for the economic development of areas identified as industrially backward. In pursuance of the above Statement, Government of Punjab in consultation with the Government of India decided to establish the first nucleus industrial complex at Goindwal Sahib in Amritsar district of Punjab and as a follow up measure, the Goindwal Industrial & Investment Corporation Ltd. was incorporated in the year 1981 to create infrastructure by way of black topped roads, piped water supply, underground sewerage, drainage, street lighting, uninterrupted power supply, educational facilities, telecommunication facilities, medical facilities and other service facilities to attract investment and setting up of industrial units. At present a spinning mill and a paper mill have started functioning. More industrial units are also likely to come up in the 9th Five year Plan. About 3,000 workers are in employment now. The State Govt. is also providing incentives for setting up of industrial units in the complex. The area has been linked with Beas by railway line.

(c) 909 acres of land have been acquired for the complex.

(d) M/s. Bharat Heavy Electrical Ltd. and The Goindwal Cooperative Spinning Mills Ltd. have set up their units in the complex. No multinational company has set up any unit.